

FY 2014 Budget Public Hearings

Public hearings on the FY 2014 Budget will be held on **April 9** and **April 23**. Both meetings begin at 7pm and are held in the Ingram Council Chambers, 765 Lynn Street, Herndon. Citizens may also submit comments on the FY 2014 Budget online at herndon-va.gov, or via email at budget@herndon-va.gov. For assistance, call 703-435-6804.

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TOWN OF **Herndon** VIRGINIA

A Citizen's Guide to the Proposed FY 2014 Budget



TOWN COUNCIL

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TOWN MANAGER

Arthur A. Anselene

Information about the
proposed FY 2014 Budget is online at
www.herndon-va.gov



MESSAGE FROM THE TOWN MANAGER

Dear Citizens:

This *Citizen's Guide* provides highlights of the Town of Herndon's proposed FY 2014 Budget. As reflected in this proposed budget, fiscal uncertainty at the federal level reduces the town's revenue projections and necessitates a conservative approach to adding or expanding town programs and services. Nevertheless, the proposed budget recommends fiscal resources to advance the Town Council's vision for redevelopment of the downtown, transit-oriented development in the future Metrorail area, other major capital projects, and continuation of the services and programs our citizens expect and enjoy.

In particular, the proposed FY 2014 Budget includes:

- Maintenance of the town real estate tax, meals tax and all other taxes and levies at their current rates;
- Continued allocation of resources to strategic capital projects such as major road improvements (Station Street improvements and Herndon Parkway intersection improvements), downtown redevelopment and planning for the Metrorail area redevelopment;
- Continued targeted allocation of the one percent increase in the town's meals tax, enacted in the FY 2012 Budget, to support downtown utility relocation, major road repaving, and future funding of a downtown parking garage; and
- Implementation of strategies recommended by the town's Economic Development Task Force, to include the branding initiative for the town, hiring of an Economic Development Manager and advertising efforts to promote the town's restaurants.

The complete proposed FY 2014 Budget is online at herndon-va.gov, with hard copies available for review at the Herndon Municipal Center and the Herndon Fortnightly Library. By law, the Herndon Town Council must adopt the FY 2014 Budget by June 30, 2013, with enactment to begin on July 1, 2013. The council will hold two public hearings on the proposed budget, on Tuesday, April 9 and Tuesday, April 23, both beginning at 7pm in the Ingram Council Chambers. Citizens may also submit comments online at herndon-va.gov or send an email to budget@herndon-va.gov.

Arthur A. Anselene
Town Manager

FY 2014 PROPOSED BUDGET AT-A-GLANCE

The complete FY 2014 Proposed Budget is online at herndon-va.gov.

Total Budget Expenditures

\$49,295,800 for all funds (General Fund, Water and Sewer Fund, Golf Course Fund, Chestnut Grove Cemetery Fund, Downtown Parking Enterprise Fund, and the Capital Projects Funds). The total reflects an increase of 6.6 percent over the adopted FY 2013 budget of \$46,240,000. The percentage increase is related to proposed increases for governmental and enterprise funds as well as capital improvement projects.

General Fund Recurring Budget Expenditures

\$30,362,400, a decrease of 0.4 percent under the FY 2013 recurring expenses. Includes personnel, operations and maintenance, debt service, and minor capital.

General Fund Expenditures

\$32,243,200, which reflects a decrease of \$50,890 or 0.2 percent less than the FY 2013 adopted budget.

Real Estate Tax

Remains at \$0.2650 per \$100 of assessed value.

One Penny on the Real Estate Tax Rate

Equivalent to approximately \$399,168 in tax revenues (includes assessed value of public service corporations and real property assessments).

Average Residential Property Value

Projected at \$318,262.

Average Residential Real Estate Tax Bill

\$843.39 based on \$0.2650 per \$100 assessed value.

Personal Property Tax Rate

Remains at \$0.00 per \$100 assessed value.

Meals Tax

Remains at 2.5 percent.

Cigarette Tax

Remains at 75 cents per pack.

Business, Professional and Occupational License Tax

All classifications and thresholds remain at the current amounts.

Motor Vehicle License Fee

Remains at \$25 for private passenger and other vehicles weighing less than 4,000 lbs; and \$32 for vehicles weighing in excess of 4,000 lbs.

Consumer Utility Tax

Tax based on the purchase of utility services within the corporate limits of the town. The amount of the tax for residential consumers contains a monthly cap of \$3.00 per utility.

Sewer Service Rate

Base rate remains at \$5.05 per 1,000 gallons of water consumption. Peak rate remains at \$1.70.

Sewer Availability Fee

Remains at \$7,490 for new, single-family homes.

Sewer Lateral Repair and Replacement Program

Remains at \$2 per year (\$0.50 per quarter).

Water Service Rate

Base rate remains at \$2.90 per 1,000 gallons of water consumption. Peak rate remains at \$3.50.

Water Availability Fee

Remains at \$4,863 for new, single-family homes.

Recycling Fee

Remains at \$16 per year (\$4 per quarter).

Personnel

Personnel costs for all funds total \$24,520,200, a decrease of \$42,700 when compared to FY 2013.

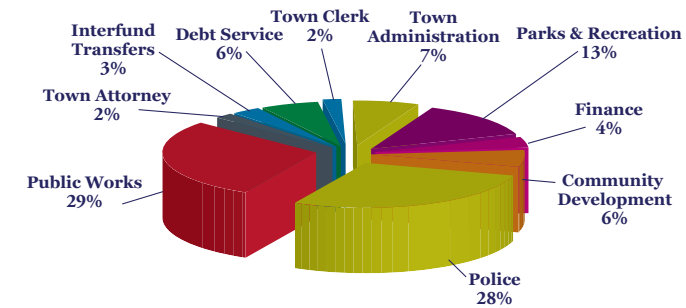
Capital Improvement Program

\$7,665,000 (all funds).



GENERAL FUND

EXPENDITURES BY DEPARTMENT
GENERAL FUND (FY 2014)



Approximately 57 percent of General Fund expenditures are budgeted to provide services through the Department of Public Works and the Herndon Police Department. The Parks and Recreation Department accounts for 13 percent of proposed General Fund expenditures.

Proposed FY 2014 Budget: General Fund

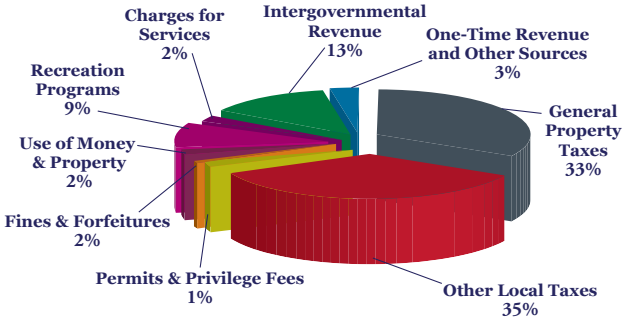
Expenditures

Town Clerk	\$610,100
Town Administration	2,342,100
Parks & Recreation	4,101,700
Finance	1,298,500
Community Development	2,073,100
Police	9,084,300
Public Works	9,220,500
Town Attorney	481,000
Interfund Transfers	1,010,000
Debt Service	2,021,900
Total Expenditures	\$32,243,200

Revenues

General Property Taxes	\$10,557,900
Other Local Taxes	11,242,200
Permit & Privilege Fees	302,200
Fines & Forfeitures	553,900
Use of Money & Property	686,000
Recreation Programs	2,818,100
Charges for Services	775,900
Intergovernmental Revenue	4,377,000
One-Time Revenue and Other Sources	930,000
Total Revenues	\$32,243,200

REVENUES BY SOURCE
GENERAL FUND (FY 2014)



Based on a real estate tax rate of \$0.265 per \$100 in assessed value, total FY 2014 general property taxes, which include real estate taxes, are projected at \$10,557,900. This amount represents 33 percent of the total General Fund resources. Projected FY 2014 revenues include \$540,000 from the General Fund unassigned fund balance for financing a portion of one-time operating costs for consultants and minor construction, and to augment financing of select General Fund projects in the FY 2014 Capital Improvement Program (CIP).

ENTERPRISE FUNDS

The town’s Enterprise Funds operate much like private businesses. They are stand-alone funds (separate from the General Fund) whereby users’ fees – not real estate taxes – support operational, maintenance and capital expenditures. All Enterprise Fund revenues are used to provide services and to maintain or expand facilities. The town’s Enterprise Funds are as follows:

Water and Sewer Fund

Personnel	\$1,002,300
O&M	5,602,200
Capital	3,155,000
Non-Departmental	540,200
Total	\$10,299,700

Chestnut Grove Cemetery Fund

Personnel	\$333,900
O&M	155,900
Capital	36,300
Non-Departmental	60,300
Debt	214,600
Total	\$801,000

Golf Course Fund

Personnel	\$857,200
O&M	361,000
Capital	39,900
Non-Departmental	57,500
Debt	131,100
Total	\$1,446,700

Downtown Parking Fund

O&M	\$15,200
Capital	200,000
Total	\$215,200



CAPITAL IMPROVEMENT PROGRAM

The Capital Improvement Program (CIP) provides a plan for the acquisition, development, enhancement or replacement of public facilities to service citizens. It is a six-year program for implementing the capital priorities of the town. The proposed FY 2014-19 CIP contains 43 separate capital projects, and the proposed FY 2014 portion of the CIP funds 20 projects. Funding for these projects is provided through recurring General Fund revenues, proffers, grants, water and sewer availability fees, bonds and the use of the unassigned fund balance. Major projects proposed for funding include:

W&OD Trail Lighting – Downtown

This project will provide for night use of the W&OD Trail between Center Street and Ferndale Avenue. Adding lighting will improve pedestrian and cyclist safety.

FY 2014	\$200,000
Total CIP 14-19	\$495,000

Vehicular and Pedestrian Access to Herndon Metrorail Station

This project will provide improvements to create vehicular and pedestrian access in the vicinity of the north side of the Herndon Metrorail Station. A drop-off lane is proposed to accommodate buses and allow drivers to drop off Metrorail passengers in a safe manner, and a pedestrian touch-down is also proposed. Congestion Mitigation Air Quality (CMAQ) and W&OD Trail Crossing Improvement project funds have been reallocated to cover initial design and construction costs.

FY 2014	\$225,000
Total CIP 14-19	\$1,500,000

Station Street Improvements

Streetscape amenities, streetlights, curb, gutter, and local storm drainage improvements are included in this project to widen and improve Station Street from Pine Street to Park Avenue. Final design and land acquisition are complete, and construction is scheduled to occur in FY 2014.

FY 2014	\$1,400,000
Total CIP 14-19	\$2,900,000

Park-Monroe Intersection Improvements

This is a street and drainage system improvement project that will extend mainly along Park Avenue and on both sides of the Monroe Street intersection.

FY 2014	\$150,000
Total CIP 14-19	\$1,550,000

Herndon Parkway Intersections/
Major Transportation Improvements

This project provides for significant transportation improvements to relieve congestion and improve safety. In addition to \$1,910,000 in reserves, \$600,000 has been targeted in FY 2014 to fund improvements at Herndon Parkway/Sterling Road and Herndon Parkway/Van Buren Street. The funding source for these projects is the Regional Surface Transportation Program from the Northern Virginia Transportation Authority.

FY 2014	\$600,000
Total CIP 14-19	TBD

Downtown Utility Relocation

A significant cost element of downtown redevelopment is the undergrounding/relocation of utilities. This project provides initial funding toward this project. A portion of the town’s meals tax has been allocated toward funding of this project.

FY 2014	\$300,000
Total CIP 14-19	\$1,350,000

Major Road Repaving Projects

This project supports major maintenance of the town’s arterial street network. Funding in FY 2014 will be used to complete resurfacing of Herndon Parkway between Dranesville Road and Monroe Street. A portion of the town’s meals tax has been allocated toward funding of this project.

FY 2014	\$325,000
Total CIP 14-19	\$1,970,000

Metrorail – Water System Improvements

Water system improvement projects support the necessary expansion of transmission, storage, and distribution of water to serve the Metrorail development. Engineering evaluation, site survey, and initial design will begin in FY 2014.

FY 2014	\$100,000
Total CIP 14-19	TBD

Metrorail – Sewer System Improvements

Significant improvements and replacement of the sanitary sewer collection system are required in conjunction with the Metrorail development project. In FY 2014, this project will include capacity studies, engineering evaluation, initial site surveys, and initial design efforts.

FY 2014	\$150,000
Total CIP 14-19	TBD

Water Tanks and Booster Pump Stations

This program provides for maintenance and painting of the town’s three water tanks, as well as installing booster pump stations on each tank to improve water cycling.

FY 2014	\$1,660,000
Total CIP 14-19	\$3,649,000

